

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 05517 060819Z

15

ACTION NEA-12

INFO OCT-01 ADP-00 EUR-25 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 L-03 H-03 PA-03 PRS-01 USIA-15 RSR-01 /172 W

----- 014059

R 060540Z AUG 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3350

C O N F I D E N T I A L TEHRAN 5517

E.O. 11652: GDS

TAGS: EFIN, IR

SUBJECT: IRANIAN RIAL REVALUATION REJECTED

1. ACCORDING WELL PLACED CENTRAL BANK SOURCE, GOI TURNED DOWN PROPOSAL REVALUE RIAL BY FIVE PERCENT AND INSTITUTE FLOAT AGAINST EEC CURRENCIES DURING WEEK JULY 30. MINFIN REPORTEDLY OBJECTED TO LOSS RIAL INCOME (WHEN DOLLARS CONVERTED FINANCE MINISTRY WOULD HAVE OBTAINED FEWER RIALS). PRIME MINISTER BELIEVED FLOAT WOULD INDUCE SPECULATION, AND PM AND AMOUZEGAR WERE OF OPINION THAT DOLLAR HAD TURNED CORNER AND WOULD APPRECIATE. ABOVE DECISION ALLEGEDLY ENDORSED BY HIM.

2. SAME SOURCE CLAIMED CBI, WITH ASSISTANCE IMF EXPERTS, HAD STUDIED PROBLEMS INVOLVED IN MAKING RIAL CONVERTIBLE CURRENCY. IDEA HAD BEEN SHELVED WHEN IRANIAN OFFICIALS CONCLUDED THAT COSTS OF THIS PROPOSAL LIKELY TO FAR OUTWEIGH POSSIBLE BENEFITS. CBI OFFICIAL NOTED SIZEABLE BALANCE OF PAYMENTS DEFICIT FORECAST FOR 1973 AND SAID THIS FACT HAD LOOMED LARGE IN GOI'S DELIBERATIONS.
HECK

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CURRENCIES, REVALUATIONS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS HECK
Errors: N/A
Film Number: n/a
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <21-Dec-2001 by shawdg>; APPROVED <09-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Transfer Date:
Review Withdrawn Fields: n/a
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